

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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R 271702Z MAY 77
FM USMISSION USBERLIN
TP RUEHC/SECSTATE WASHDC 4661
AMEMBASSY BONN
INFO AMEMBASSY BERLIN UNN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION NATO

C O N F I D E N T I A L SECTION 1 OF 3 USBERLIN 1455

E.O.11652: GDS
TAGS: PGOV, PINT, PFOR, WB, GW, GE, US, FR, UR, UK
SUBJECT: MEETING OF AMBASSADOR WITH NEW GOVMAYOR

1. SUMMARY: AMBASSADOR STOESSEL MET WITH GOVMAYOR
STOBBE ON MAY 27 FOR EXCHANGE OF VIEWS. STOBBE
SAID THAT HE WANTED TO DEVOTE FULL ATTENTION TO GETTING
HIS NEW GOVERNMENT ESTABLISHED OVER NEXT FEW MONTHS BUT
HOPED IN FALL TO VISIT US, FRANCE AND UK, HE RECONGNIZED
NEED TO GAIN CONFIDENCE OF BERLIN BUSINESS COMMUNITY IN
EFFORTS TO REVITALIZE BERLIN ECONOMY. HIS MAIN LONG-TERM
PROBLEM WAS TO BRING ABOUT ECONOMIC UPSWING. STOBBE
HOPED THAT US AND OTHER ALLIES COULD SSIST HIM BY
PROMOTING BERLIN AS A CENTER FOR CONGRESSES. HE EXPRESSED
CONCERN OVER SOVIET INTENTIONS WITH RESPECT TO BERLIN,
PARTICULARLY ON DIRECT ELECTIONS TO EC PARLIAMENT.
STOBBE WAS PLEASED THAT US/FRG DIFFERENCES OVER NUCLEAR
PROLIFERATION HAD MODERATED. PRINCIPAL SHORT-TERM
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CONCERN FOR STOBBE NOS IS CHOICE OF NEW CHAIRMAN OF
BERLIN SPD WHICH MUST BE MADE AT JUNE 4 PARTEITAG.
END SUMMARY.

2. AMBASSADOR STOTESSEL, ACCOMPANIED BY MINISTER
GEORGE AND SENAT LIAISON OFFICER LANDFAIR, CALLED ON
NEW GOVERNING MAYOR STOBBE AT RATHAUS SCHOENEBERG

ON MAY 27. NEW CHIEF OF SENAT CHANCELLERY HEIMAN AND SENAT PROTOCOL CHIEF DIEDRICH ALSO WERE PRESENT. AFTER AN EXCHANGE OF PLEASANTRIES, THE AMBASSADOR AGAIN CONGRATULATED TOBBE ON HIS ELECTION AS GOVERNING MAYOR AND COMPLIMENTED HIM ON POLICY DECLARATION WHICH STOBBE HAD PRESENTED TO HOUSE OF REPRESENTATIVES DAY BEFORE. GOVMAYOR SAID HE KNEW HOW IMPORTANT IT WAS TO MAKE GOOD START BUT MORE IMPORTANT WAS TO RUN THE COURSE. HE HAD LOTS OF WORK AHEAD, AND WANTED TO CONVINCE PEOPLE OF BERLIN THEY COULD AGAIN HAVE CONFIDENCE IN THEIR CITY. HE ALSO WANTED TO CORRECT IMPRESSION THAT BERLIN ALWAYS CRIES TO FRG FOR HELP AND MONEY. MONEY WAS IMPORTANT AND FRG WOULD CONTINUE TO SUPPLY IT BUT BERLINERS HAD TO DEMONSTRATE THEY WERE WILLING TO HELP THEMSELVES.

3. STOBBE CONCEDE THAT HIS PRINCIPAL LONG-TERM PROBLEM WAS HOW TO REVITALIZE BERLIN'S ECONOMY. HE NOTED THAT WHILE RECESSION CAME TO BERLIN LATER THAN IN FRG, RECOVERY ALSO HAS LAGGED BEHIND THAT OF FRG. STOBBE SAID HE WANTED TO CREATE A CLIMATE OF CONFIDENCE FOR INVESTORS. AMBASSADOR STOESEL OBSERVED THAT THIS WAS VERY POSITIVE STEP AND ADDED THAT FROM HIS TALKS WITH BERLIN BUSINESSMEN, HE KNEW THEY WERE LOOKING FOR REASSURANCE FROM SENAT. STOBBE SAID THIS WAS VERY IMPORTANT. HE PLANNED A SERIES OF MEETINGS WITH BUSINESS LEADERS TO DISCUSS PROBLEMS ON MUTUAL INTEREST AND HOPED THEREBY TO GAIN CONFIDENTIAL

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CONFIDENCE OF BUSINESS COMMUNITY. STOBBE SAID HE WAS AWARE THAT THREE ALLIES HAD BEGUN STUDY OF BERLIN'S VIABILITY AND HE WAS GRATEFUL FOR THIS, PARTICULARLY AS HE KNEW IT WAS AT US INITIATIVE. HE EXPRESSED DESIRE TO MEET WITH ECONOMIC EXPERT FROM US MISSION TO DISCUSS THIS AND RELATED MATTERS. STOBBE REALIZED THAT ALLIES COULD NOT DO MUCH IN DIRECT WAY TO ASSIST BERLIN'S ECONOMY BUT HE THOUGHT THAT ONE THING WHICH THEY MIGHT DO WOULD BE TO PROMOTE CONGRESSES AND OTHER INTERNATIONAL MEETINGS IN BERLIN. IT WAS VERY IMPORTANT TO UTILIZE BERLIN'S ASSETS SUCH AS CONGRESS CENTER PRESENTLY BEING CONSTRUCTED. STOBBE SAID THAT HE UNDERSTOOD

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THERE MAY HAVE BEEN RESTRICTIONS ON THIS, FOR
EXAMPLE, HE THOUGHT US HAD CHANGED TAX LAWS MAKING
IT LESS ATTRACTIVE TO HOLD MEETINGS OUTSIDE OF UNITED
STATES, BUT HE NOW AS UNDER IMPRESSION THAT WITH
IMPROVEMENT OF US BALANCE OF PAYMENTS POSITION, SUCH
RESTRICTIONS HAD BEEN EASED. STOBBE ADMITTED IT WAS
UNLIKELY US, FRENCH OR BRITISH WERE GOING TO URGE
THEIR BUSINESS COMMUNITIES TO MAKE LARGE INVESTMENTS
IN BERLIN, BUT PROMOTION OF CONGRESSES WOULD BE
BIG HELP. AMBASSADOR STOESSEL SAID THAT THERE WAS
LITTLE THAT US COULD DO DIRECTLY FOR BERLIN'S
ECONOMY BUT NOTED THAT US SECURITY GUARANTEE FOR
BERLIN IS FIRM AND IT HELPED CREAT CLIMATE OF
CONFIDENCE FOR INVESTMENT BY OTHERS. AMBASSADOR
NOTED THAT IN ORDER TO CONVINCE FIRMS TO
INVEST IN BERLIN, IT WOULD HAVE TO BE DEMONSTRATED
THAT IT WOULD BE TO THEIR ECONOMIC ADVANTAGE.

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4. TURNING TO RELATIONS WITH GDR, STOBBE MENTIONED
THAT HE HAD JUST FINISHED MEETING WITH STATE SECRE-
TARY GAUS. DISCUSSIONS BETWEEN FRG AND GDR ON
PROJECTS OF MUTUAL INTEREST STILL HAD NOT BEGUN AND
STOBBE DID NOT KNOW WHEN THEY WOULD. STOBBE ASKED

ABOUT RECENT REPORTS OF A "BREAKTHROUGH" IN US-GDR RELATIONS. AMBASSADOR STOESSEL NOTED THAT GDR FOR SOME TIME HAD WANTED CLOSER RELATIONSHIP WITH U.S.; IN PARTICULAR, THEY DESIRED VISITS OF RANKING OFFICIALS AND CONGRESSIONAL LEADERS AND MOST OF ALL, INCREASED TRADE. GDR HAD PUT TOGETHER A NUMBER OF ITEMS WHICH HAD BEEN UNDER DISCUSSION FOR SOME TIME, INCLUDING REUNIFICATION OF FAMILIES, IN FORM OF PACKAGE AND THIS GAVE IMPRESSION OF A BREAKTHROUGH. MINISTER ADDED THAT CONSULAR AGREEMENT, ONE ELEMENT OF PACKAGE, HAD BEEN UNDER DISCUSSION FOR TWO YEARS. AMBASSADOR EXPLAINED THAT IN VIEW OF STEPS THAT GDR HAD TAKEN IN RECENT MONTHS TO INTEGRATE EAST BERLIN MORE CLOSELY INTO GDR, DESPITE IMPLICATIONS THIS HAD FOR QA, US AT PRESENT TIME WOULD NOT WISH TO SEEM OVERLY RESPONSIVE TO EAST GERMAN APPROACH. STOBBE AGREED THAT TOO POSITIVE REACTION WOULD BE MISUNDERSTOOD. HE FELT US APPROACH TO ITS RELATIONSHIP WITH GDR HAD BEEN APPROPRIATE UNDER CIRCUMSTANCES.

5. STOBBE EXPRESSED CONCERN ABOUT WHAT SOVIETS WERE UP TO REGARDING BERLIN. HE NOTED THAT LAW ON DIRECT ELECTIONS TO EC PARLIAMENT WOULD BE PASSED SOON AND BERLIN HOUSE OF REPRESENTATIVES WOULD MAKE LAW APPLICABLE TO BERLIN. WHEN THIS HAPPENED, STOBBE THOUGHT SOVIET CONCERNS MIGHT SURFACE MORE TANGIBLY. DESPITE FACT THAT EC PARLIAMENT WOULD NOT, IN STOBBE'S OPINION, HAVE ANY GREATER POWERS THAN BEFORE, WOULD RUSSIANS THINK IT WOULD? AMBASSADOR STOESSEL NOTED THAT ALLIES HAD ALREADY ANSWERED SOVIET PROTESTS ON THIS SCORE BY EXPLAINING THAT BERLIN DELEGATES WOULD BE IN-CONFIDENTIAL

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DIRECTLY ELECTED AS IN PAST AND THAT SITUATION THEREFORE WOULD NOT REPRESENT A CHANGE SUBSEQUENT TO SIGNING OF QA. AMBASSADOR SUGGESTED THAT SOVIETS WOULD CONTINUE TO MAKE A LOT OF NOISE ABOUT EC PARLIAMENT BUT HE WAS INCLINED TO DOUBT THAT THEY WOULD TAKE SERIOUS ACTION. STOBBE THOUGHT PERHAPS SOVIETS WERE PLANNING TO USE EC PARLIAMENT ISSUE AS BARGAINING TOOL FOR SOME OTHER MATTER ON WHICH THEY WISHED WESTERN OR FRG ACQUIESCENCE. PROBLEM WAS, STOBBE NOTED, THERE WAS NO FALLBACK POSITION FOR THE WEST ON THE EC ISSUE. AMBASSADOR STOESSEL SAID THERE WOULD BE NO DOUBT WHATSOEVER THAT BERLIN SHOULD BE INCLUDED IN EUROPEAN MATTERS; HE FELT THE SOVIETS WERE AWARE OF THE VIEWS OF THE WESTERN ALLIES ON THIS POINT AND WOULD DRAW THE APPROPRIATE CONCLUSIONS. AMBASSADOR NOTED, INTER ALIA, THAT SOVIETS CONTINUED TO BE INTERESTED IN GOOD RELATIONS WITH US AND THEY KNEW THAT BERLIN WAS A

KEY ELEMENT IN OUR RELATIONSHIP. THEY COULD NOT EXPECT
TO BE ABLE TO CREAT TROUBLE OVER BERLIN AND HAVE US-

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SOVIET RELATIONS CONTINUE TO DEVELOP NORMALLY.
STOBBE SAID HE THOUGHT SOVIETS WERE MIFFED AT FIRST
WITH PRESIDENT CARTER AND SAID HE HAD "CHANGED THE RULES
OF THE GAME". HE THOUGHT THE SOVIETS NOW REALIZED
THAT PRESIDENT HAD SIMPLY GIVEN COOPERATION NEW
STARTING POINT. STOBBE ADDED THAT IN HIS VIEW, SOVIETS
HAD NO ALTERNATIVE TO THEIR PRESENT POLICY OF SEEKING
ACCOMMODATION WITH WEST. STOBBE THEN EX-
PRESSED GENERAL DISCUSSION IN THIS REGARD.

6. STOBBE WAS PLEASED THAT US-FRG RELATIONS WERE ON A
BETTER BASIS. AMBASSADOR STOESSEL SAID THAT THERE
NOW APPEARED TO BE MORE UNDERSTANDING ON BOTH SIDES.
TIME HAD BEEN GAINED TO WORK OUT MORE MUTUALLY SATIS-
FACTORY ARRANGEMENTS TO CONTROL NUCLEAR PROLIFICATION.
PROBLEMS RELATED TO THE "PLUTONIUM ECONOMY" REMAINED
TO BE RESOLVED, BUT THERE WAS A GROWING APPRECIATION
OF THE QUESTIONS INVOLVED. THE ATMOSPHERE IN US-FRG
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RELATIONS WAS GOOD AND THERE WAS FIRM BASIS OF COOPERATION. STOBBE AGREED THAT THE MEETINGS IN LONDON HAD HELPED CONTRIBUTE TO THIS.

7. HAD IT NOT BEEN FOR GOVERNMENT CRISIS IN BERLIN, WHICH BROUGHT ABOUT SCHUETZ' RESIGNATION AND ELECTION OF NEW GOVERNING MAYOR AND SENAT, STOBBE WOULD NOW BE IN US, HE NOTED. WHILE IT WAS IMPORTANT TO GET HIS GOVERNMENT FUNCTIONING WELL BEFORE UNDERTAKING ANY TRIPS ABROAD, STOBBE WAS THINKING IN TERMS OF VISIT TO US, FRANCE AND UK IN FALL. AMBASSADOR AND MINISTER WELCOMED SUCH VISIT AND OFFERED TO FACILITATE IT IN ANY WAY THEY COULD.

8. STOBBE SAID THAT WHEN HE TOOK OVER AS GOVMAYOR, HE HAD FOUR IMMEDIATE PROBLEMS TO CONTEND WITH. HE HAD TO FORM A NEW SENAT; HE HAD TO CHOOSE A TEAM OF SUBORDINATE OFFICIALS (CHIEF OF CHANCELLERY, PRESS SPOKESMAN, ETC.); HE HAD TO DRAFT AND DELIVER A GOVERNMENT DECLARATION; AND HE HAD TO RESOLVE QUESTION OF NEW BERLIN SPD PARTY CHAIRMAN PRIOR TO JUNE 4 PARTEITAG. FIRST THREE HAD BEEN ACCOMPLISHED AND HE NOW PLANNED TO SPEND HIS UWHITSUNTIDE HOLIDAYS TALKING TO PARTY LEADERS IN EFFORT TO WIN SUPPORT FOR FORMER SENATOR LOEFFLER TO ASSUME THIS POSITION. STOBBE SAID HE DID NOT HAVE 10 TO 20 HOURS PER WEEK NEEDED TO RUN PARTY AFFAIRS. HE WOULD RATHER SPEND THIS TIME WHERE IT COULD COUNT MOST AT ELECTION TIME, TALKING TO CITIZENS OF BERLIN. HOWEVER, WHETHER LOEFFLER OR SOMEONE ELSE, CHAIRMAN OF BERLIN SPD HAD TO BE PERSON WITH WHOM GOVMAYOR COULD WORK ON CLOSE PERSONAL BASIS -- NOT SOMEONE WHO WOULD GO HIS OWN POLITICAL WAY. STOBBE CONCEDED THAT LEFT-RIGHT SPLIT IN BERLIN SPD WAS DESTROYING CONFIDENCE NOT ONLY WITHIN PARTY BUT AMONG CITIZENRY ABOUT THE ABILITY OF SOCIAL DEMOCRATS TO CONTINUE GOVERN EFFECTIVELY. WHILE PROBLEM WAS CONFIDENTIAL

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SEVERE IN BERLIN, IT WAS BY NO MEANS CONFINED TO THIS CITY BUT EXISTED IN BONN AND ELSEWHERE IN FRG. HE THOUGHT LEADERSHIP IN BONN WAS AWARE THAT THERE WOULD HAVE TO BE CHANGES. IN FACT, SOCIAL DEMOCRATS IN EUROPE WERE IN THE DOLDRUMS AT PRESENT TIME.

9. COMMENT: STOBBE CLEARLY HAS WIDE-RANGING INTERESTS AND A KEEN APPRECIATION OF THE IMPORTANCE AND COMPLEXITIES OF THE EAST-WEST RELATIONSHIP. HE IS CALM,

MODEST AND REALISTIC IN HIS APPROACH AND HIS OBVIOUS
DETERMINATION TO GIVE PRIORITY TO PROBLEMS OF ADMINIS-
TRATION AND OF ENCOURAGING CONFIDENCE OF BUSINESS
COMMUNITY IN BERLIN IS ENCOURAGING.GEORGE

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Message Attributes

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